

IN THE CLAIMS

Please amend the claims as follows:

Claim 1 (Currently Amended): A computer-based method of structuring a current mortgage price indicator (CMPI) mortgage futures contract, comprising the steps of:

identifying with a computing device a set of mortgage-backed securities (MBS) coupons issued by a plurality of agencies for a pre-determined prior time period;

identifying the total MBS production of said plurality of agencies during said pre-determined prior time period, and eliminating from said set of MBS coupons any coupon which does not represent more than a pre-determined level of the total MBS production during said pre-determined prior time period;

calculating with said computing device a coupon price for each of said set of MBS coupons issued by said plurality of agencies;

calculating with said computing device a par-adjusted average coupon price (AACP) for said set of MBS coupons issued by said plurality of agencies;

electronically selecting a subset containing N of said set of MBS coupons that is closest to said AACP;

electronically assigning a numerical weight to each of said N coupons in said subset;
and

including in the CMPI mortgage futures contract each of said N coupons in said subset and their corresponding numerical weights; and

submitting the CMPI mortgage futures contract for trading on an exchange.

Claim 2 (Cancelled):

Claim 3 (Original): The method of Claim 1, wherein said predetermined prior time period is three months; and said set of MBS coupons are from MBS backed by conventional 30-year mortgages.

Claim 4 (Original): The method of Claim 3, wherein said pre-determined level of total MBS production of said plurality of agencies, during said pre-determined prior time period, is five percent.

Claim 5 (Original): The method of Claim 4, wherein said plurality of agencies consists of Freddie Mac and Fannie Mae.

Claim 6 (Currently Amended): The method of Claim 5, wherein said AACP calculation comprises the steps of:

electronically calculating an Average Coupon Price (ACP) for said set of MBS coupons issued by said plurality of agencies, wherein said ACP is equal to:

$$\frac{\sum_{k,A} \text{issuance}(k, A) * \text{price}(k, A)}{\text{total issuance}};$$

where $k \in \{\text{all coupons in said set of MBS coupons}\}$, and $A \in \{\text{Fannie Mae, Freddie Mac}\}$;

and

determining said AACP of said set of MBS coupons issued by said plurality of agencies, wherein said $AACP = \frac{(100 + ACP)}{2}$.

Claim 7 (Original): The method of Claim 6, wherein N is equal to 3 and said step of assigning a numerical weight comprises the steps of:

assigning the coupon in said subset with the price closest to said AACP a fifty percent numerical weight; and

assigning each of the remaining two coupons of said subset a numerical weight of twenty-five percent.

Claim 8 (Original): The method of Claim 6, wherein N is equal to 2 and each coupon in said subset is assigned a numerical weight of fifty percent.

Claim 9 (Currently Amended): A method for cheaper-to-deliver, settlement pricing of a current mortgage price indicator (CMPI) mortgage futures contract, wherein the CMPI mortgage futures contract includes a set of N coupons from MBS backed by conventional 30-year mortgages, the method comprising the steps of:

electronically receiving input indicative of a plurality of bid and ask prices for coupons issued by a first agency and by a second agency corresponding to each of said N coupons in the CMPI mortgage futures contract;

electronically calculating a price, P , for each of said corresponding N coupons issued by said first agency and for each of said corresponding N coupons issued by said second agency using said plurality of bid and ask prices; and

electronically setting the settlement price of the CMPI mortgage futures contract, equal to:

$$\frac{\sum_{i=1}^N X_i \cdot \min[P_i^{Agency1}, P_i^{Agency2}]}{\sum_{i=1}^N X_i \cdot \min[P_i^{Agency1}, P_i^{Agency2}]}$$

where X is a numerical weight assigned to each of said set of N coupons when the CMPI mortgage futures contract was first structured.

Claim 10 (Original): The method of Claim 9, wherein said first agency is Freddie Mac, said second agency is Fannie Mae, and N is equal to three.

Claim 11 (Original): The method of Claim 10, further comprising the step of multiplying the price, P_i , of each of said N coupons issued by Fannie Mae by a cash-flow adjustment factor before setting the settlement price of the CMPI mortgage futures contract.

Claim 12 (Original): The method of Claim 11, wherein said cash-flow adjustment factor is equal to:

$$(1 + \rho)^{d/365}$$

where d is the differential, measured in days, between the payments to investors on Fannie Mae and Freddie Mac MBS, and ρ is a yield approximation equal to:

$$\frac{\text{high coupon} * (100 - \text{low coupon price}) + \text{low coupon} * (\text{high coupon price} - 100)}{(\text{high coupon price} - \text{low coupon price})}$$

where the low and high coupon are the coupons in said N set of coupons issued by Fannie Mae that are farthest and closest to 100, respectively.

Claim 13 (Currently Amended): A tangible computer program product comprising a computer usable medium having control logic stored therein for causing a computer to structure a current mortgage price indicator (CMPI) mortgage futures contract, said control logic comprising:

first computer readable program code means for causing the computer to identify a set of mortgage-backed securities (MBS) coupons issued by a plurality of agencies for a pre-determined prior time period;

second computer readable program code means for causing the computer to identify the total MBS production of said plurality of agencies during said pre-determined prior time period, and eliminating from said set of MBS coupons any coupon which does not represent more than a pre-determined level of the total MBS production during said pre-determined prior time period;

third computer readable program code means for causing the computer to calculate a coupon price for each of said set of MBS coupons issued by said plurality of agencies;

fourth computer readable program code means for causing the computer to calculate a par-adjusted average coupon price (AACP) for said set of MBS coupons issued by said plurality of agencies;

fifth computer readable program code means for causing the computer to select a subset containing N of said set of MBS coupons that is closest to said AACP; and

sixth computer readable program code means for causing the computer to assign a numerical weight to each of said N coupons in said subset.

Claim 14 (Currently Amended): A tangible computer program product comprising a computer usable medium having control logic stored therein for causing a computer to determine the cheaper-to-deliver, settlement price of a current mortgage price indicator (CMPI) mortgage futures contract, wherein the CMPI mortgage futures contract includes a set of N coupons from MBS backed by conventional 30-year mortgages, said control logic comprising:

first computer readable program code means for causing the computer to receive input indicative of a plurality of bid and ask prices for coupons issued by a first agency and by a second agency corresponding to each of said N coupons in the CMPI mortgage futures contract;

second computer readable program code means for causing the computer to calculate a price, P , for each of said corresponding N coupons issued by said first agency and for each of said corresponding N coupons issued by said second agency using said plurality of bid and ask prices; and

third computer readable program code means for causing the computer to set the settlement price of the CMPI mortgage futures contract, equal to:

$$\sum_{i=1}^N X_i \cdot \min[P_i^{Agency1}, P_i^{Agency2}]$$

$$\sum_{i=1}^N X_i \cdot \min[P_i^{Agency1}, P_i^{Agency2}]$$

where X is a numerical weight assigned to each of said set of N coupons when the CMPI mortgage futures contract was first structured.